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Attorneys for Debtors and Debtors-in-Possession

UNITED STATES BANKRUPTCY COURT
 DISTRICT OF NEVADA

In re:

USA COMMERCIAL MORTGAGE COMPANY,

Debtor.

Case No. BK-S-06-10725 LBR

Case No. BK-S-06-10726 LBR

In re:

USA CAPITAL REALTY ADVISORS, LLC,

Debtor.

Case No. BK-S-06-10727 LBR

Case No. BK-S-06-10728 LBR

Case No. BK-S-06-10729 LBR

In re:

USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,

Debtor.

Chapter 11

Jointly Administered Under

Case No. BK-S-06-10725 LBR

In re:

USA CAPITAL FIRST TRUST DEED FUND, LLC,

Debtor.

Date: January 31, 2007

Time: 9:30 a.m.

In re:

USA SECURITIES, LLC,

Debtor.

**DECLARATION OF THOMAS J. ALLISON
 IN SUPPORT OF FTDF'S OBJECTION TO
 PROOFS OF CLAIM NO. 83, 84, AND 85, AND
 DTDF'S OBJECTION TO PROOFS OF
 CLAIM NO. 79, 80, AND 81 FILED BY THE
 PENSION BENEFIT GUARANTY
 CORPORATION**

Affects:

- ☐ All Debtors
☐ USA Commercial Mortgage Company
☐ USA Securities, LLC
☐ USA Capital Realty Advisors, LLC
☒ USA Capital Diversified Trust Deed Fund, LLC
☒ USA Capital First Trust Deed Fund, LLC

**(AFFECTS USA CAPITAL FIRST TRUST
 DEED FUND, LLC AND USA CAPITAL
 DIVERSIFIED TRUST DEED FUND, LLC)**

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I, Thomas J. Allison, hereby declare, verify and state as follows:

1. I am the President and Chief Restructuring Officer of USA Commercial Mortgage Company (“USACM”) and the Manager and Chief Restructuring Officer of each of the four other debtors in these jointly administered chapter 11 cases; namely, USA Securities, LLC (“USA Securities”), USA Capital Realty Advisors, LLC (“USA Realty”), USA Capital Diversified Trust Deed Fund, LLC (“DTDF”), and USA Capital First Trust Deed Fund, LLC (“FTDF”) (collectively the “Debtors”).

2. The Debtors filed for relief under Chapter 11 of the Bankruptcy Code on April 13, 2006 (the “Petition Date”).

3. On the Petition Date, Mesirow Interim Financial Management was employed to manage the debtors and I was appointed the Chief Restructuring Officer of the Debtors.

4. As a result, I have become familiar with the books and records of the Debtors, I have become familiar with some of the records of USA Investment Partners, LLC (“Investment Partners”) which were kept by the USACM’s personnel until the Petition Date, and I have had many conversations with Joseph Milanowski, the principal and former chief operating officer of the Debtors. Based upon this information, I state the following facts as being true to the best of my knowledge.

5. I make this Declaration in support of FTDF’s Objection to Proofs of Claim No. 83, 84, and 85 filed by the Pension Benefit Guaranty Corporation (“PBGC”), and in support of DTDF’s Objection to Proofs of Claim No. 79, 80, and 81 also filed by the PBGC

6. The sole shareholders of USACM prior to the Petition Date were Thomas A. Hantges, Joseph D. Milanowski, Paul S. Hamilton (either in their own names or through trusts they control), and Red Granite, LLC.

7. FTDF is a limited liability company that as of the Petition Date had approximately 950 members.

8. DTDF is a limited liability company that as of the Petition Date had approximately 1,350 members.

9. USA Securities is a limited liability company the sole members of which were Joseph D. Milanowski and Paul S. Hamilton prior to the Petition Date.

10. Upon information and belief, USA Realty is a limited liability company that is owned by Investment Partners.

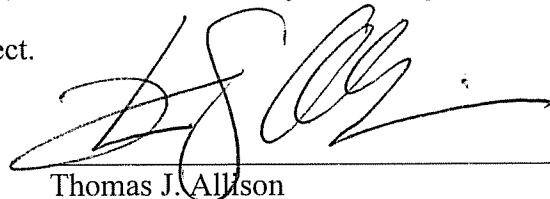
11. Neither FTDF nor DTDF had any employees at any time and were not required to contribute to a defined pension benefit plan.

12. FTDF had a separate and distinct ownership from each of the four other Debtors.

13. DTDF also had a separate and distinct ownership from each of the four other Debtors.

14. None of the owners of USACM, USA Securities, or USA Realty (Thomas A. Hantges, Joseph D. Milanowski, Paul S. Hamilton, Red Granite, LLC, and Investment Partners) have any ownership interest in either FTDF or DTDF. USA Realty, which is owned by Investment Partners, does have a nominal membership interest of less than one-tenth of one percent in FTDF and DTDF in connection with its pre-petition role as manager of FTDF and DTDF.

I declare, under penalty of perjury, that, to the best of my knowledge, information and belief, that the foregoing is true and correct.



Thomas J. Allison

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